

**CITY COUNCIL MEETING
CITY OF WATERTOWN
January 21, 2014
7:00 p.m.**

Mayor Pro Tem Roxanne M. Burns Presiding

Present: Council Member Joseph M. Butler, Jr.
Council Member Stephen A. Jennings
Council Member Teresa R. Macaluso
Mayor Pro Tem Roxanne M. Burns

Also Present: Sharon Addison, City Manager
Robert J. Slye, City Attorney

Not Present: Mayor Jeffrey E. Graham

City staff present: Jim Mills, Ken Mix, Kurt Hauk, Barbara Wheeler, Chris Audette, Beth Morris, Amy Pastuf, Erin Gardner, Brian Phelps, Gene Hayes, Chief Herman, Amy Davis

The City Manager presented the following reports to Council:

- Resolution No. 1 - Appointment to the Board of Assessment Review, Matthew P. Saunders
- Resolution No. 2 - Approving Online Auction Contract, Auctions International Inc.
- Resolution No. 3 - Approving Design Phase for Factory Street Reconstruction Project
- Resolution No. 4 - Approving Change Order No. 1 to Waste Water Disinfection Improvement Project, General Construction, C.O. Falter Construction Inc.
- Ordinance No. 1 - Amending City Municipal Code § 293, Vehicles and Traffic
- Ordinance No. 2 - Changing the Approved Zoning Classification of 520-526 Meade Street, Parcels 1-15-220 and 1-15-221, From Residence B to Neighborhood Business District
- Ordinance No. 3 - Changing the Approved Zoning Classification of VL10 Washington Street, Parcel 14-26-102.100, From a Mix of Commercial, Neighborhood Business, and Residence C to Fully Commercial
- Ordinance No. 4 - Changing the Approved Zoning Classification of 1108 Lewis Street, VL-R Bradley Street, 1079 Bradley Street, and 1069 Bradley Street, parcels 1-27-104, 1-27-103, 1-27-103.001, and 1-27-102, from Residence A to Light Industrial
- Public Hearing – Resolution Establishing Assessment Charge for Sidewalks, Spring and Fall 2014 Pursuant to Section 93 of the City Charter
- Fiscal Year 2012-13 Audit Report
- Sales Tax Revenue – December 2013
- The 25th Annual Local Government Conference Workshop on March 27, 2014
- Tree Watertown 2013 Annual Report

Complete Reports on file in the office of the City Clerk

Meeting opened with a moment of silence in remembrance for former City Manager Ronald Forbes.

Pledge of Allegiance was given.

The reading of the minutes of the regular meeting of January 6, 2014 was dispensed and accepted as

written by motion of Council Member Joseph M. Butler, Jr., seconded by Council Member Teresa R. Macaluso and carried with all voting in favor thereof.

PRESENTATIONS

Independent Auditors' Report for the Fiscal Year Ending June 30, 2013, Liz Bush, CPA, Bowers & Company CPAs PLLC

Ms. Bush indicated that the Independent Auditors' Report has a new look this year because of new standards but it still provides an unmodified opinion. She referred Council to the Management's Discussion and Analysis showing the Financial Highlight while drawing attention to the chart on page 9 showing a comparison to the prior year. She explained that this year there was a Total Net Position balance of \$94,849,395 which is less than a 1% decrease but the Unrestricted Net Position had a 40% decrease and the Restricted Net Position had increased by roughly 1.9 million dollars. She noted that part of this increase is the \$3.1 million one-time NYS State Aid revenue which is included in the Capital Reserve Fund to fund future pay-as-you-go projects. She clarified that the Business-type Activities refers to Water and Sewer. On page 10, she discussed the City's Changes in Net Position stating that revenues saw an approximate 3% increase and expenses increased about 6% which ends the year with a change in Net Position of negative \$93,263.

Ms. Bush reviewed the various Audited Financial Statements which start on page 20 confirming the prior figures given to Council and noting that the Capital Assets account for about 78% of the Total Assets, Serial Bonds account for about 55% of the Total Liabilities and Accrued Post Employment account for about 25% of the Total Liabilities. On the Statement of Activities, she pointed out that the Change in Net Position for Governmental Activities was a negative \$574,600 and for Business-Type Activities was a positive \$481,337. On the Balance Sheet for the Governmental Fund, she advised that the Total Fund Balance was \$17,312,501 and that the unassigned portion is about 20.6% of the General Fund Total Expenditures which is a slight decrease from last year. She mentioned that this number has been trending downward.

Council Member Butler asked about the Hydro Revenue.

Ms. Bush explained that on page 21 Hydroelectric Production shows a revenue of approximately \$2.4 million and she described the layout of this report in more detail.

In regards to Nonproperty Taxes, Ms. Bush pointed out on the Statement of Revenues and Changes in Fund Balance Report that this includes Sales Tax and accounts for about 40 % of the revenue which is a slight increase from last year. She noted that the total change in the Fund Balance for this fiscal year is approximately \$1.7 million. She reviewed the Statement of Net Position for the Proprietary Funds representing the Water and Sewer Fund stating that they mirror the Government-wide Statements. These funds, she said ended the year with a Net Position of about \$31 million of which \$2.5 million were unrestricted. She advised that in the Water Fund there was a small increase in revenue of about 4% and a 7% increase in expenses. In the Sewer Fund, revenue decreased 4% and expenses increased 17% but this was mostly due to utility cost, equipment purchases and material costs.

Regarding the Notes to the Financial Statement starting on page 31, Ms. Bush went into great detail highlighting that there were not any major accounting changes in 2013 and were fairly consistent with last year. Overall, she stated that the audit shows there were no significant deficiencies, material weakness, or compliance issues in accordance to Government Auditing Standards. Therefore, she said it was determined that the City is a low-risk auditee.

In response to Mayor Pro Tem Burns' inquiry, Ms. Bush explained how a low-risk auditee is determined.

As a result of last year's audit, it was advised to develop an Accounting Procedure Manual but she noted that it is still in the works due to short staffing as a result of a medical leave and employee transfer. She noted that during her walk through for internal controls, she tried to gather some key information that could be shared with the City Comptroller with hopes that the process of a manual could be started next year. She explained that this manual should document the procedures that are in place so that a new employee would know the proper procedure.

Council Member Butler remarked that other departments within the City handle cash transactions and asked if she looked at samples from these departments to ensure that there is timely payment to the Comptroller's Department.

Ms. Bush replied that she did this with the Parks and Recreation Department based on past history but she did not do that with the other department. She noted that she could do that next year with other departments.

COMMUNICATIONS

A letter was received from CRAIG Insurance Services regarding an accident occurring on December 5, 2013 which involved a City garbage truck.

Above communication was placed on file in the office of the City Clerk.

PRIVILEGE OF THE FLOOR

No one spoke.

PUBLIC HEARING

At 7:30 p.m. Mayor Pro Tem Burns asked the City Clerk to read the notice of Public Hearing Concerning Establishing Assessment Charge for Sidewalks, Spring and Fall 2014 Pursuant to Section 93 of the City Charter

Mayor Pro Tem Burns declared the hearing open at 7:30 p.m.

Mary Hampton-Cole, representing Emmanuel Congregational Church at 119 South Hamilton Street addressed the chair to request an amendment to the sidewalk program. She explained that the church received notification from their insurance company requesting that they repair their sidewalk. She

indicated that Sean O'Connor, Engineering Department reviewed this and recommended replacing 384 sq. ft. of sidewalk. He had explained to her that the district had already been set for the 2014 project but she asked that this district be amended to include the sidewalks on Boyd and South Hamilton Streets that surrounds the church's property.

Mayor Pro Tem Burns declared the hearing closed at 7:33 p.m.

RESOLUTIONS

Resolution No. 1 - Appointment to the Board of Assessment Review, Matthew P. Saunders

Introduced by Council Member Stephen A. Jennings

RESOLVED that the following individual is appointed to the Board of Assessment Review effective immediately for a five-year term, such term expiring on September 30, 2018:

Matthew P. Saunders
212 Green Street
Watertown, New York 13601

Seconded Council Member Joseph M. Butler, Jr. and carried with all voting yea.

Resolution No. 2 - Approving Online Auction Contract, Auctions International Inc.

Introduced by Council Member Joseph M. Butler, Jr.

WHEREAS the City of Watertown has successfully used the services of Auctions International over the past two years for various City Departments, and

WHEREAS it is the City's desire to get the best price possible for vehicles and/or equipment it deems surplus or excess, and

WHEREAS the Purchasing Manager, Amy M. Pastuf, has contacted Auctions International, Inc., which conducts online auctions of vehicles and equipment, and

WHEREAS there is no cost to the City, as the buyer pays a fee charged by Auctions International,

NOW THEREFORE BE IT RESOLVED by the City Council that it hereby approves the Online Auction Contract with Auctions International, Incorporated, a copy of which is attached and made a part of this resolution, and

BE IT FURTHER RESOLVED that if the highest bid does not meet the City's estimated scrap value, no sale will take place, without prior approval of the City Council, and

BE IT FURTHER RESOLVED that City Manager Sharon Addison is hereby authorized and directed to execute the Contract and accept the highest offer at the time of sale above the City's estimated scrap values, on behalf of the City.

Seconded by Council Member Teresa R. Macaluso and carried with all voting yea.

Resolution No. 3 - Approving Design Phase for Factory Street Reconstruction Project

Introduced by Council Member Joseph M. Butler, Jr.

WHEREAS a project for the reconstruction of Factory Street, PIN 775315, D032467 (the "Project") is eligible for funding under Title 23 U.S. Code, as amended that calls for the apportionment of the cost of such program to be borne at the ratio of 80% Federal and 20% non-federal funds, and

WHEREAS on April 19, 2010 and October 18, 2010, the City Council adopted resolutions authorizing the Master Federal Aid Local Agreement and the Marchiselli Agreement, respectively which provide \$752,000 and \$141,000 respectively for the costs of the Preliminary Engineering & Right-of-Way Incidentals, and

WHEREAS the Federal Highway Administration and the New York State DOT have completed their review of the Final Design Report for the Factory Street Reconstruction Project,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown hereby approves the Final Design Report, Factory Street Reconstruction PIN 7753.15, and to proceed with Final Design Approval of the Factory Street Reconstruction project, and

BE IT FURTHER RESOLVED that the Mayor, Jeffrey E. Graham, is hereby authorized and directed to execute the design approval on behalf of the City of Watertown.

Seconded by Council Member Teresa R. Macaluso and carried with all voting yea.

Resolution No. 4 - Approving Change Order No. 1 to Waste Water Disinfection Improvement Project, General Construction, C.O. Falter Construction Inc.

Introduced by Council Member Stephen A. Jennings

WHEREAS on June 3, 2013, the City Council of the City of Watertown approved a bid submitted by C.O. Falter Construction Inc. in the amount of \$3,923,101.00 for the Waste Water Disinfection Improvement Project general construction, and

WHEREAS Change Order No. 1 has been submitted for an additional charge of \$11,781.55, bringing the contract amount to \$3,934,882.55,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown approves Change Order No. 1 to the contract with C.O. Falter Construction Inc. for the Waste Water Disinfection Improvement Project general construction, and

BE IT FURTHER RESOLVED that City Manager Sharon Addison is hereby authorized and directed to execute the Change Order documents on behalf of the City of Watertown.

Seconded by Council Member Teresa R. Macaluso

Prior to the vote on the foregoing resolution, Council Member Butler asked for more explanation regarding the Change Order.

Kurt Hauk, City Engineer explained that this was a field change to accommodate access to a pull box with the expansion of the Administration Building. He further explained that when the demolition was occurring it was discovered that there would need to be changes to the column design to accommodate this.

Council Member Butler commented that the contractor has to take a risk when deciding to do a project because it is not always going to be a perfect bid and they are going to encounter challenges and difficulties throughout the project. He asked at what point do they incur that risk and make it part of the bid process with built-in contingencies for these types of changes. He expressed frustration in that the City always approves these Change Orders.

Mr. Hauk stressed that this is a field change based on a change in the site condition.

At the call of the chair, a vote was taken on the foregoing resolution and carried with all voting yea.

Resolution - Establishing Assessment Charge for Sidewalks, Spring and Fall 2014 Pursuant to Section 93 of the City Charter

Introduced by Council Member Joseph M. Butler, Jr.

WHEREAS a public hearing was held in accordance with Section 93 of the City Charter on January 21, 2014 at 7:30 p.m. to hear public comment concerning whether all or a portion of the cost for proposed sidewalk improvements to the properties identified in the attached report, which constitutes Special Assessment District 10, shall be a charge or expense upon the abutting properties, and

WHEREAS the City Council has determined that it shall fix the charge to be paid by the abutting property owner at _____ per square foot, with the remaining cost being paid by the City,

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Watertown, pursuant to Section 93 of the City Charter, hereby fixes the charge to be paid for by the abutting property owner's of Special Assessment District 10 at _____ per square foot, with the remaining cost being paid by the City.

Seconded by Council Member Teresa R. Macaluso

Prior to the vote on the foregoing resolution, Council Member Butler noted that the Council was asked to amend the district during the public hearing. He asked if Council was able to do that tonight.

Attorney Slye wondered if there were other property owners involved and if so, then they would have had to be put on notice of this resolution.

Mr. Hauk said that the address of the church was not included in this district so Mr. O'Connor, who is responsible for the sidewalk project for the City, did a sidewalk inspection for this property after the Engineering Department was contacted. He said that he can verify the information with Mr. O'Connor and provide a full report at the next meeting if the resolution is tabled.

In response to Council Member Macaluso's inquiry, Mr. Hauk confirmed that the South Hamilton Street

neighborhood was not included in this district nor planned for this year. He answered for Mayor Pro Tem Burns how the series of events occurred leading up to Ms. Hampton-Cole's request coming up to Council. He said that the church property could certainly be added to next year's district but he is not sure it that will meet the church's purposes.

Attorney Slye stated that staff needs to look at this further. He stressed that the concept of having a district is so that sidewalks can be done in a row while equipment is in place rather than doing single properties in different locations. Doing the sidewalks in sections, he said gives some economies of scale with more efficiency.

Mayor Pro Tem Burns asked if tabling the resolution would affect the timeline of the project.

Mr. Hauk said that the work would not be until April and if the resolution is put off until the next meeting, then he would have time to put all the information together into a report. He noted that if the rate for doing the sidewalk is to change then the property owners would need new notification of the projected cost. He pointed out that the rate has not changed for several years even though the expense of the project has increased.

Motion was made by Council Member Joseph M. Butler, Jr. to table the foregoing resolution.
Motion was seconded by Council Member Teresa R. Macaluso and carried with all voting in favor thereof except Mayor Pro Tem Roxanne M. Burns voting nay.

ORDINANCES

Ordinance No. 1 - Amending City Municipal Code § 293, Vehicles and Traffic

Introduced by Council Member Joseph M. Butler, Jr.

BE IT ORDAINED that Section 293-67 of the City Code of the City of Watertown is amended as follows:

Name of Street	Side	Restricted Time Limit; Hours/Days	Location
Clinton Street	South	2 hrs.; 9:00 a.m. to 8:00 p.m.	From 248 feet east of Sherman Street west for a distance of 198 feet

and,

BE IT FURTHER ORDAINED that Section 293-75 of the City Code of the City of Watertown is amended by adding the following:

§ 293-75 Schedule XXVII: On-Street Handicapped Parking.

Name of Street	Side	Location
Academy Street	North	From 116 feet east of Washington Street to 156 feet East of Washington Street. Two parking spaces.

and,

BE IT FURTHER ORDAINED that Section 293-75 of the City Code of the City of Watertown is amended by deleting the following:

§ 293-75 Schedule XXVII: On-Street Handicapped Parking.

Name of Street	Side	Location
Academy Street	North	From Gotham Street to the parking garage exit four parking spaces

and,

BE IT FURTHER ORDAINED that this amendment shall take effect as soon as it is printed as the City Manager directs.

Seconded by Council Member Stephen A. Jennings

Laid over under the rules

Ordinance No. 2 - Changing the Approved Zoning Classification of 520-526 Meade Street, Parcels 1-15-220 and 1-15-221, From Residence B to Neighborhood Business District

Introduced by Council Member Stephen A. Jennings

BE IT ORDAINED where James and Laura Williams have submitted an application to change the approved zoning classification of 520-526 Meade Street, parcels 1-15-220 and 1-15-221, from Residence B to Neighborhood Business District, and

WHEREAS the Planning Board of the City of Watertown considered the request at its January 14, 2014 meeting and recommended that City Council adopt the zone change as requested, and

WHEREAS the County Planning Board reviewed the application pursuant to General Municipal Law Section 239-m, and

WHEREAS a public hearing was held on the proposed zone change on February 3, 2014, after due public notice, and

WHEREAS the City Council has made a declaration of Negative Findings of the impacts of the proposed zone change according to the requirements of SEQRA, and

WHEREAS the City Council deems it in the best interest of the citizens of the City of Watertown to approve the requested zone change,

NOW THEREFORE BE IT ORDAINED that the approved zoning classification of the entirety of 520-526 Meade Street, parcels 1-15-220 and 1-15-221, be changed to Neighborhood Business District, and

BE IT FURTHER ORDAINED that the Zoning Map of the City of Watertown shall be amended to reflect these changes, and

BE IT FURTHER ORDAINED this amendment to the Zoning Ordinance of the City of Watertown shall take effect as soon as it is published once in the official newspaper of the City of Watertown, or otherwise printed as the City Manager directs.

Seconded by Council Member Teresa R. Macaluso

Motion was made by Council Member Joseph M. Butler, Jr. to schedule a Public Hearing on the foregoing ordinance for Monday, February 3, 2014 at 7:30 p.m. Motion was seconded by Council Member Teresa R. Macaluso and carried with all voting in favor thereof.

Ordinance No. 3 - Changing the Approved Zoning Classification of VL10 Washington Street, Parcel 14-26-102.100, From a Mix of Commercial, Neighborhood Business, and Residence C to Fully Commercial

Introduced by Council Member Joseph M. Butler, Jr.

BE IT ORDAINED where Mark Purcell of Purcell Construction has submitted an application to change the approved zoning classification of VL-10 Washington Street, parcel 14-26-102.100, from a mix of Commercial, Neighborhood Business, and Residence C to full Commercial, and

WHEREAS the Planning Board of the City of Watertown considered the request at its January 14, 2014 meeting and recommended that City Council adopt the zone change as requested, and

WHEREAS the County Planning Board reviewed the application pursuant to General Municipal Law Section 239-m on December 30, 2013 and adopted a motion that the project does not have any county-wide or inter-municipal issues and is of local concern only, and

WHEREAS a public hearing was held on the proposed zone change on February 3, 2014, after due public notice, and

WHEREAS the City Council has made a declaration of Negative Findings of the impacts of the proposed zone change according to the requirements of SEQRA, and

WHEREAS the City Council deems it in the best interest of the citizens of the City of Watertown to approve the requested zone change,

NOW THEREFORE BE IT ORDAINED that the approved zoning classification of the entirety of VL-10 Washington Street, parcel 14-26-102.100, be changed to Commercial, and

BE IT FURTHER ORDAINED that the Zoning Map of the City of Watertown shall be amended to reflect these changes, and

BE IT FURTHER ORDAINED this amendment to the Zoning Ordinance of the City of Watertown shall take effect as soon as it is published once in the official newspaper of the City of

Watertown, or otherwise printed as the City Manager directs.

Seconded by Council Member Teresa R. Macaluso

Motion was made by Council Member Joseph M. Butler, Jr. to schedule a Public Hearing on the foregoing ordinance for Monday, February 3, 2014 at 7:30 p.m. Motion was seconded by Council Member Teresa R. Macaluso and carried with all voting in favor thereof.

Ordinance No. 4 - Changing the Approved Zoning Classification of 1108 Lewis Street, VL-R Bradley Street, 1079 Bradley Street, and 1069 Bradley Street, parcels 1-27-104, 1-27-103, 1-27-103.001, and 1-27-102, from Residence A to Light Industrial

Introduced by Council Member Joseph M. Butler, Jr.

BE IT ORDAINED where Mark Purcell of Purcell Construction has submitted an application to change the approved zoning classification of 1108 Lewis Street and VL-R Bradley Street, parcels 1-27-104 and 1-27-103, from Residence A to Light Industrial, and

WHEREAS the Planning Board of the City of Watertown considered the request at its January 14, 2014 meeting and recommended that City Council adopt the zone change, also including 1069 Bradley Street and 1079 Bradley Street, parcels 1-27-103.001 and 1-27-102, and

WHEREAS the County Planning Board reviewed the application pursuant to General Municipal Law Section 239-m on December 30, 2013 and adopted a motion that the project does not have any county-wide or inter-municipal issues and is of local concern only, and

WHEREAS a public hearing was held on the proposed zone change on February 3, 2014, after due public notice, and

WHEREAS the City Council has made a declaration of Negative Findings of the impacts of the proposed zone change according to the requirements of SEQRA, and

WHEREAS the City Council deems it in the best interest of the citizens of the City of Watertown to approve the requested zone change,

NOW THEREFORE BE IT ORDAINED that the approved zoning classification of 1108 Lewis Street, VL-R Bradley Street, 1079 Bradley Street, and 1069 Bradley Street, parcels 1-27-104, 1-27-103, 1-27-103.001, and 1-27-102, be changed from Residence A to Light Industrial, and

BE IT FURTHER ORDAINED that the Zoning Map of the City of Watertown shall be amended to reflect these changes, and

BE IT FURTHER ORDAINED this amendment to the Zoning Ordinance of the City of Watertown shall take effect as soon as it is published once in the official newspaper of the City of Watertown, or otherwise printed as the City Manager directs.

Seconded by Council Member Teresa R. Macaluso

Motion was made by Council Member Joseph M. Butler, Jr. to schedule a Public Hearing on the foregoing ordinance for Monday, February 3, 2014 at 7:30 p.m. Motion was seconded by Council Member Teresa R. Macaluso and carried with all voting in favor thereof.

STAFF REPORTS

Fiscal Year 2012-13 Audit Report

See above presentation.

Sales Tax Revenue – December 2013

Mayor Pro Tem Burns noted sales tax revenue continues to go down. She said that staff has done a good job of keeping the projections close and refraining from over relying on sales tax.

Council Member Butler remarked that if this trend continues then it could mean a shortfall of over one million dollars which would be significant and tough to make up. Referring to the audit report, he said that the City cannot continue to take from the Fund Balance to offset the lack of revenue.

Mayor Pro Tem Burns thanked City Comptroller Mills and his staff for a very positive audit report.

The 25th Annual Local Government Conference Workshop on March 27, 2014

Mayor Pro Tem Burns mentioned that this has a good agenda and said that if anyone would like to attend, then they should notify the City Manager.

Tree Watertown 2013 Annual Report

Mayor Pro Tem Burns said that this was a very nice report from Tree Watertown. She added that Council is very supportive of the core initiative of Tree Watertown and each year the report gets better and better.

NEW BUSINESS

Executive Secretary to the Civil Service Commission

Ms. Addison introduced Amy Davis as the new Executive Secretary to the Civil Service Commission.

MPO/MOU

Ms. Addison provided an update stating that there will be a meeting on February 10th.

Compliments to Staff

Council Member Butler mentioned that he had received compliments on Beth Morris' handling of a situation with a frustrated resident from Breen Avenue and that he continues to receive compliments on Mr. Hayes and the DPW staff's work handling the recent storms.

Fairgrounds Ice Arena

Council Member Jennings commented that he received a tour of the Ice Arena and was shocked at the condition of the facility. He said that it needs to be fixed and a way to afford it needs to be figured out.

Storm Cleanup on the Hotline

Mayor Pro Tem Burns thanked Eugene Hayes, Superintendent of Public Works for joining her on the Hotline last week and providing information regarding the storm cleanup.

ADJOURNMENT

At the call of the chair, meeting was duly adjourned at 8:00 p.m. by motion of Council Member Joseph M. Butler, Jr., seconded by Council Member Teresa R. Macaluso and carried with all voting in favor thereof.

Ann M. Saunders
City Clerk